

Vero Marine Fisherman Wording

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Introduction

Privacy Act and the Insurance Claims Register (ICR)

The ICR is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to *you* conditional upon *you* authorising *us* to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect.

You also authorise *us* to obtain from ICR Ltd personal information about *you* that is (in *our* view) relevant to this policy or any claim made against it. *You* have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

Definitions

Throughout this policy, whenever the following words are used in italics, this is what they mean.

- **"You"** and **"Your"** refer to the "Assured" shown in the schedule.
- **"We"**, **"Us"** and **"Our"** refer to the Company providing this insurance.
- **"Act"** (only in respect of the Statutory Liability section) means as the context requires
 - (a) The Resource Management Act 1991
 - (b) The Health and Safety in Employment Act 1992, the Health & Safety in Employment Amendment Act 2002.
 - (c) The Maritime Transport Act 1994
 or any amendment to or re-enactment of any of these *Acts* and any regulations or other subordinate legislation made under these *Acts*.
- **"Agreed Value"** means we have agreed on the value of the *vessel* and other property specified in Section A of the Vessel Schedule. It is the amount that will be paid in the event that the *vessel* is completely lost or destroyed.
- **"Deductible"** means the first amount of any claim that *you* must pay, as specified in the Vessel Schedule for each vessel. This amount is deducted from the sum payable for the claim.
- **"Defence Costs"** (only in respect of the Statutory Liability section) means costs and expenses incurred, with *our* prior written consent, of investigating and defending any civil or criminal action (including but not limited to any threat or intimation of any such action or any circumstance which may give rise to any such action) arising out of an *occurrence* and includes the costs and expenses of being represented at any conference, hearing, inquiry, investigation, proceedings or review relating to any *Act*.
- **"Dinghy"** means any small tender and the motors, provided *you* are the owner and the *dinghy* is used to service the *vessel* and is not more than 4 metres in length.
- **"Employee"** (only in respect of the Employers Liability section) means
 - (a) any person directly employed by *you* in the business and from whose remuneration *you* make PAYE tax deductions
 - (b) any consultant or person temporarily employed while working for *you* in connection with the business
 - (c) any sub-contractor contracted by *you* to work in connection with the business.

- **"Excess Period"** means the period of time between the date of the loss and the policy commencing to respond.
- **"Fishing Gear"** means nets, trawl wires, long lines, otter boards, pots, traps, cages and any other similar equipment used solely for the purpose of catching or processing catch.
- **"Hull"** means the *hull*, deck, cabin, and fixtures and fittings on or below deck that are not normally removable and would be sold with the *vessel*.
- **"Leased Equipment"** means equipment leased by *you* for use on the *vessel* and for which *you* have the legal obligation to insure.
- **"Litigation Costs"** (only in respect of the Employers Liability section) means the claimants' costs and expenses and *your* costs and expenses incurred with *our* prior written consent.
- **"Occurrence"** (only in respect of the Statutory Liability section) means any event neither expected nor intended by *you* which results in an allegation of the commission of an offence under any section of any *Act*, or results in an inquiry, investigation, conference, hearing, proceeding, review or settlement negotiation in respect of any such allegation.
- **"Personal Injury"** (only in respect of the Employers Liability section) means bodily injury, sickness or disease including death resulting therefrom, disability, shock, fright, mental anguish or mental injury but does not include *personal injury*
 - (a) sustained by an *employee* prior to the attachment date specified in the Vessel Schedule
 - (b) caused by or arising out of sexual harassment or sexual abuse.

For the purpose of this Policy *personal injury* shall be sustained when the *employee* is first exposed to conditions in New Zealand out of which the *personal injury* arose.

- **"Special Equipment"** means the instruments, electronic equipment, safety equipment and other vessel's gear that is not normally removed from the *vessel*.
- **"Terrorism"** means an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted.
- **"Trailer"** means any *trailer* used to transport the *vessel*.
- **"Vessel"** means any *vessel* specified in the Vessel Schedule including its *hull*, machinery, *special equipment*, and *leased equipment*.

Section A: Hull Insurance

The Property Insured

The *vessel, dinghy* and *fishing gear* as described in the proposal and specified in the Vessel Schedule.

Where the *Agreed Value* includes *leased equipment*, this Policy is extended to include such equipment. In no event shall *our* liability exceed *your* contractual liability for loss or damage to the *leased equipment* or its replacement value, whichever is the lesser.

Cover

1. The Property Insured is covered afloat and while ashore or being transported on a land conveyance, including loading and unloading. The *vessel* is covered whilst towing or being towed, provided that such towing or tow is to the first safe port or place when assistance is required or as is customary in connection with loading and discharging.

If any part of the Property Insured is temporarily not on board the *vessel*, the sum insured is split proportionately between the value of the Property Insured temporarily removed and the value of that remaining on the *vessel*.

2. *You* are insured for any loss or damage to the *vessel* and/or *dinghy* caused by
- (a) perils of the seas, rivers, lakes or other navigable waters
 - (b) fire, explosion
 - (c) theft and/or burglary
 - (d) collision with any external object (ice included) other than water
 - (e) any malicious act
 - (f) negligence of the master, officers and/or crew or pilots
 - (g) negligence of repairers or charterers (provided that they have no financial interest in the *vessel*)
 - (h) earthquake, tsunami, volcanic eruption or lightning
 - (i) jettison
 - (j) accidents in loading, discharging or shifting catch, fuel or stores
 - (k) breakage of shafts or any latent defect in the machinery or *hull*
 - (l) any governmental authority preventing or attempting to prevent a pollution hazard or any threat of a pollution hazard, resulting directly from damage to the *vessel*, provided the loss is covered by the Policy
 - (m) piracy
 - (n) contact with aircraft or similar objects, or objects falling therefrom, land conveyance, or dock or harbour equipment or installation
 - (o) barratry of master, officers or crew
 - (p) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, derelict weapons of war. This cover is not applicable whilst the *vessel* is on land
 - (q) strikers, labour disturbances, riots or civil commotion

provided that loss or damage has not resulted from want of due diligence by *you*, owners or managers. Masters, officers, crew or pilots are not to be considered owners within the meaning of Clause 2 should they hold shares in the *vessel*.

3. *You* are insured for loss or damage to *fishing gear* caused by fire, lightning, theft/burglary or as a result of the total loss of the *vessel*, provided such total loss is covered by the Policy.
4. *We* will pay
 - (a) the reasonable costs incurred by *you* for the search for and rescue of the *vessel* provided that
 - (i) such search and rescue is undertaken with *our* prior approval
 - (ii) the maximum amount recoverable under this extension is NZD 5,000. No *deductible* is applicable.
 - (b) reasonable general average, salvage charges and salvage reward.
 - (c) reasonable sue and labour costs.
 - (d) if *we* agree in writing, the reasonable cost of fixed wages and additional living expenses of members of the crew necessarily retained to assist in the repair of the *vessel*, for which *we* are liable under the Policy.
 - (e) for loss of or damage to Personal Effects, if not otherwise insured, up to a maximum of NZD 2,500 any one event, provided the loss is caused by an insured peril.

This Policy does not cover jewellery, money, credit cards, travellers cheques or other valuable papers or documents.
 - (f) the reasonable costs of replenishing, refilling or replacing fire extinguishers and/or safety flares used during an incident giving rise to a claim which has been admitted under this Policy. *Our* limit of liability shall not exceed NZD 1,000. No *deductible* is applicable.
 - (g) if *we* agree in writing, the reasonable costs for overtime incurred by a repairer, and/or costs incurred in order to expedite the repairs to the *vessel*, as otherwise covered by the Policy.

Claim Settlement

We have the option

1. to settle up to the sum insured specified in the Vessel Schedule by payment, reinstatement or replacement.
2. to repair, or take or require to be taken tenders for repair.

We will pay for the total loss of the *vessel* and other property only if the *vessel* is completely lost or destroyed. *We* will also pay for a constructive total loss if the cost of recovering and repairing the *vessel* is greater than the amount of insurance specified in the Vessel Schedule. If *we* pay for a total loss or constructive total loss *you* agree that the amount *we* pay will be reduced by the proceeds of any salvage.

Claims are payable without deduction new for old.

Deductible

The *deductible* specified in the Vessel Schedule shall be deducted from any payment we make under this section for all losses due to a single accident.

In the event of a single claim involving Section A, B and/or E, the maximum *deductible* will be the amount specified in the Vessel Schedule applicable to the Hull, fixtures and fittings under Section A for each *vessel*.

Exclusions

(Applicable to Section A)

Please read the following exclusions carefully. They may tell *you* that a loss is not covered.

You are not insured for:

1. physical damage or losses caused by, or arising from, normal wear and tear, natural decay, gradual deterioration, marine borers, vermin, marine life (except for marine mammals and large fish), electrolysis, osmosis, corrosion, rot, rust, dampness, normal wetting or weathering.
2. claims for marring, denting, scratching or chipping. This exclusion shall not apply to damage arising from the *vessel* being stranded, or in collision or in violent contact with another *vessel*, pier or jetty.
3. loss or damage due to the physical condition of the *vessel* (other than latent defects) that existed prior to the effective date of this insurance.
4. damage to machinery caused by seizure, overheating, mechanical, hydraulic and/or electrical breakdown unless such damage is a consequence of a loss covered by this policy.
5. loss of or damage to the *vessel* caused by a fault in the design.
6. loss or damage arising from the *vessel* being left moored or anchored and unattended off an exposed beach or shore.
7. loss or damage due to freezing or extremes of atmospheric temperature.
8. loss or damage following theft of trailered craft unless the *trailer* is fitted with a suitable anti-theft device preventing removal of the *trailer* when left unattended.
9. claims for unexplained disappearance of property, gear or equipment.

Section B:

Third Party Liability Insurance

Cover

We will reimburse *you* for any sum which *you* become legally liable to pay in respect of any of the following:

1. Physical loss or damage to any other vessel, or property on such other vessels, or any other fixed or movable object whatsoever, including delay to or loss of use of the other vessel or property, which arises from *your* ownership or use of the *vessel*.
2. Loss of life or bodily injury or illness (excluding crew and employees) which results from the ownership or use of the *vessel*.
3. Any attempted or actual raising, removal or destruction of any fixed or movable object or property or other thing, including the wreck of the *vessel*, or any neglect or failure to raise, remove or destroy the same.
4. Loss or damage to third party property resulting from the transportation of the *vessel* on land provided not otherwise insured.
5. Payments made for life salvage as determined by a salvage award.
6. Hospital, medical and burial expenses of the crew.
7. Repatriation expenses of the crew (other than wages, remuneration in the nature of wages, or any expenses which result from the termination of agreement or sale of the *vessel*).
8. Loss, damage or contamination caused by the sudden accidental discharge or escape of oil or any other polluting substance from the *vessel* or the wreck of the *vessel*.
9. The costs of measures reasonably taken to prevent, avoid or minimise an imminent danger of pollution caused by an accident for which a claim is otherwise payable under Section A of the Policy.
10. Loss or damage to property caused by measures taken to prevent, avoid or minimise pollution caused by an accident for which a claim is otherwise payable under Section A of the Policy.
11. Punitive or exemplary damages.

In addition, we will reimburse you in respect of the following:

1. The expenses of the removal of the wreck of the *vessel* from any place owned, leased or occupied by *you*.
2. Sistership Clause

Should the *vessel* come into collision with or receive salvage services from another vessel belonging wholly or in part to the same owners or under the same management, *you* shall have the same rights under this insurance as *you* would have were the other vessel entirely the property of owners not interested in the *vessel* insured in this Policy; but in such cases the liability for the collision and/or salvage services amount payable shall be limited to the reasonable costs of tow, fuel and wages to bring the *vessel*(s) to the next port of safety.

Limit of liability

Our liability under this section shall be subject to a maximum limit of liability as specified under Section B in the Vessel Schedule. *Our* obligation to pay, settle and defend ends when we have paid that amount on *your* behalf. This is the most we will pay regardless of the number of persons or boats involved in any one accident or series of accidents arising out of the same event.

1. In respect of liability for pollution costs and/or expenses as specified under the cover provided by 8, 9 and 10 (above), *our* maximum liability shall not exceed NZD 250,000 any one event and in total any one period of insurance.
2. In respect of liability for punitive or exemplary damages as specified under the cover provided by clause 11 (above), *our* maximum liability shall not exceed NZD 250,000 any one event and in total any one period of insurance.

In any event *our* total and absolute maximum liability under cover provided by all of the above, shall not exceed the maximum limit of liability specified under Section B in the Vessel Schedule.

Supplementary payments

In addition to the limit of liability specified in the Vessel Schedule, we will pay on your behalf the following:

1. Interest on *our* portion of the judgment that is earned before we make a payment.
2. NZD 250 a day for attendance at court proceedings at *our* request.
3. Legal or other reasonable expenses incurred at *our* request or with *our* prior written approval. In the event of such expenses being approved by us we reserve *our* option to take over the control and conduct of any legal proceedings including the choice and selection of all legal representatives.
4. Legal representation costs where *you* or *your vessel* are involved or implicated in a maritime accident, which is the subject of a Maritime New Zealand, Transport Accident Investigation Commission or Coroner's inquiry. With prior written approval from *ourselves*, we will pay reasonable costs for legal representation up to a maximum of NZD 25,000.
5. The additional cost of fuel, insurance, wages, stores, provisions and port charges reasonably incurred solely for the purpose of landing from the *vessel* any sick or injured persons.

Deductible

We will deduct the *deductible* specified in the Vessel Schedule from any payment we make under this section for all losses due to a single accident.

In the event of a single claim involving Section A, B and/or E, the maximum *deductible* will be the amount specified in the Vessel Schedule applicable to the Hull, fixtures and fittings under Section A for each vessel.

Exclusions

(Applicable to Section B)

Please read the following exclusions carefully. They may tell *you* that a loss is not covered.

We will not reimburse *you* for:

1. any liability assumed by agreement unless *you* are otherwise liable by the operation of law.
2. any liability to passengers, whether fare paying or not.
3. any liability for catch, fishing gear or other things or interests whatsoever on board the *vessel* (this clause shall not exclude any claim in respect of the extra cost of removing catch or property from the wreck of the *vessel*).
4. liability arising under a contract or indemnity in respect of equipment, fuel or other property on board the *vessel* and which is owned or leased by *you* or is owned by builders or repairers, for which they are responsible.

5. cash, negotiable instruments, precious metals or stones, valuables or objects of a rare or precious nature, including non-essential personal effects belonging to persons both on and off the *vessel*.
6. fuel, insurance, wages, stores, provisions and port charges arising from the delay to the *vessel* while waiting for a substitute master or crew member.
7. fines or penalties.
8. general average, sue and labour, salvage charges, salvage and /or collision liability to any extent that they are not recoverable under Section A of this policy by reason of the *agreed value*.
9. *your* interest in the wreck of the *vessel* if it has been transferred, other than by abandonment, without consent of *us*, prior to the raising, removal, destruction, lightning or marking of the wreck or prior to any event which would otherwise have given rise to a valid claim under this Policy.
10. liability for personal injury where such injury falls within the scope of cover provided by the Accident Compensation Act 2001 or any replacement Act or would so be entitled had a claim been lodged under that Act.
11. any liability while the *vessel* and/or its *trailer* is being towed by or attached to a motor vehicle or has broken away or become accidentally detached from a motor vehicle.

Section C: Statutory Liability Insurance

Cover

We will reimburse *you* for

1. *defence costs* incurred by *you* with *our* prior written consent in the defence of prosecutions or threatened prosecutions for an alleged offence under any *Act*.
2. *defence costs* incurred by *you* with *our* prior written consent in being represented at or in relation to any conference, hearing, inquiry, proceedings or settlement under any *Act* arising out of an *occurrence* during the period of insurance which is connected with the operation of the *vessel* and is first made against *you* or which *you* first become aware of within six months of the *occurrence*.

Limit of liability

Our liability under this Policy inclusive of all *defence costs* shall not exceed the limits specified in the Vessel Schedule in respect of any one claim or series of claims arising from one source or original cause.

Provided that the maximum amount payable in the aggregate in any one period of insurance inclusive of all *defence costs* shall not exceed the limit of indemnity specified in the Vessel Schedule.

Deductible

We will deduct the *deductible* specified in the Vessel Schedule for each *vessel* from any payment we make under this section for all claims arising from one source or original cause.

Exclusions

(Applicable to Section C)

Please read the following exclusions carefully. They may tell *you* that a loss is not covered.

We will not reimburse *you* for any liability for:

1. any *occurrence* which has arisen out of
 - (a) any deliberate or reckless breach by *you* of any provision or provisions of any *Act*.
 - (b) *your* failure to comply with a lawfully given direction or other enforceable obligation pursuant to any statutory or regulatory provision.
2. the handling or disposal of materials by any person or organisation acting on *your* behalf unless *you* have taken all reasonable steps to ensure that the materials will be handled or disposed of in a lawful manner.
3. any claim arising directly or indirectly from an *occurrence* prior to the attachment of this insurance.
4. any claim brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by *you*.
5. any liability of whatsoever nature directly or indirectly caused by or arising from
 - (a) war, invasion, act of foreign enemy, warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power, derelict weapons of war
 - (b) strikers, labour disturbances, riots or civil commotion or any act of *terrorism*.
6. any claim arising from or relating to any express term of contract or agreement.
7. the unjustifiable dismissal of any person or other grievance arising out of a contract of employment.

Section D:

Employers Liability Insurance

Cover

We will reimburse *you* against all claims (including *litigation costs*) which *you* become legally liable to pay as the result of claims first made against *you* during the period of insurance as a result of any *employee* sustaining *personal injury* in New Zealand arising out of or in the course of their employment in operating any *vessel* specified in the Vessel Schedule.

Limit of liability

Our liability under this section inclusive of all costs and expenses shall not exceed the limits specified in the Vessel Schedule in respect of any one claim or series of claims arising from one source or original cause.

Provided that the maximum amount payable in the aggregate in any one period of insurance shall not exceed the limit of indemnity specified in the Vessel Schedule.

Deductible

We will deduct the *deductible* specified in the Vessel Schedule from any payment we make under this section for all claims arising from one source or original cause.

Exclusions

(Applicable to Section D)

Please read the following exclusions carefully. They may tell *you* that a loss is not covered.

We will not reimburse *you* for any liability for:

1. *personal injury* where such injury falls within the scope of cover provided by the Accident Compensation Act 2001 or any replacement Act or would be so entitled had a claim been lodged under that Act.
2. any *employee* not directly employed to carry out the normal activities of the business unless *you* give prior notice of such employment to *us* and *we* confirm *our* agreement in writing.
3. any claim arising in any such way out of any failure by *you* to comply with any improvement, prohibition or suspension notice issued to *you* or any *employee* under The Health and Safety in Employment Act 1992 or equivalent notices issued under any replacement Act.
4. any fine or penalty levied against *you*.
5. any *personal injury* sustained prior to the attachment of this Policy.
6. any claim brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by *you*.
7. any liability of whatsoever nature directly or indirectly caused by or arising from
 - (a) war, invasion, act of foreign enemy, warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power, derelict weapons of war
 - (b) strikers, labour disturbances, riots or civil commotion, or any act of *terrorism*.
8. any claim arising from or relating to any express term of contract or agreement.
9. the unjustifiable dismissal of any person or other grievance arising out of a contract of employment.

Section E: Trailer Insurance

The Property Insured

The *trailer* as described in the proposal and specified in the Vessel Schedule.

Cover

You are insured against the risks of accidental physical loss of or damage to the *trailer* from any external cause.

Condition

In the event that the *trailer* is stolen it is a condition precedent to liability that the *trailer* was fitted with a suitable anti-theft device that was overcome. Where the *trailer* is attached to a vehicle and both are stolen the vehicle is to have been immobilised.

Claim settlement

We have the option

1. to settle up to the sum insured specified in the Vessel Schedule by reinstatement or replacement less an allowance for depreciation.
2. to repair, or take or require to be taken tenders for repair.

Deductible

We will deduct the *deductible* specified in the Vessel Schedule from any payment we make under this section for all losses due to a single accident.

In the event of a single claim involving Section A, B and/or E, the maximum *deductible* will be the amount specified in the Vessel Schedule applicable to the Hull, fixtures and fittings under Section A for each *vessel*.

Exclusions

(Applicable to Section E)

Please read the following exclusions carefully. They may tell *you* that a loss is not covered.

You are not insured for:

1. damage to tyres by application of brakes or by puncture, cuts or bursts.

Section F:

Loss of Catch Insurance Extension

Cover

You are insured for the loss of catch held on board the *vessel* provided that such a loss shall be caused by

1. perils of the seas, rivers, lakes or other navigable waters
2. fire, explosion
3. theft and/or burglary
4. collision with any external object (ice included) other than water
5. earthquake, tsunami, volcanic eruption or lightning
6. jettison
7. the total loss or constructive total loss of the *vessel*, provided the loss of the *vessel* is covered by the Policy.

Claim settlement

The maximum amount payable for the loss of catch is the sum insured specified in the Vessel Schedule.

Claim settlement will be based on the market value of the catch held on board the *vessel* less unincurred expenses at the time of loss.

Evidence of the amount of catch held on board at the time of loss will be required.

Deductible

We will deduct the *deductible* specified in the Vessel Schedule for each *vessel* from any payment we make under this section for all losses due to a single accident.

Section G: Mortgage Repayment Insurance Extension

Cover

You are insured for instalments of interest and/or principal payable by *you* to any professional financial institution or trust on any mortgages registered against the *vessel* while it is prevented from fishing, as a result of an insured peril and *our* paying a claim for physical damage to the *vessel* under Section A (Hull insurance) of this Policy.

The indemnity commences from the date of loss.

Claim settlement

1. The maximum amount payable is the amount specified in the Vessel Schedule.
2. Claim settlement will be based on the monthly repayments as declared in the Vessel Schedule.
3. No payment will be made in respect of any arrears of interest or principal outstanding at the commencement of the indemnity period.
4. In the event that the *vessel* becomes an actual or constructive total loss the indemnity payable under this section will cease on the day payment is made by *us* for the *vessel*, or at the expiry of the indemnity period, whichever shall first occur.
5. *We* have the right to require *you* to incur expense which would reduce *our* liability under this section and agree to reimburse *you* for such incurred expense.
6. Evidence of the amount of mortgage repayments due will be required from *your* accountant.

Indemnity Period

The indemnity period is limited to 3 months commencing upon expiry of the *Excess Period*, and is the maximum period *we* shall pay for while the *vessel* is not able to operate.

Excess Period

This Policy will not respond until the expiry of 1 month from the date of loss.

General Conditions

(Applicable to all Sections)

Additions, Deletions and Leased Equipment

It is agreed that any items purchased or leased during the period of insurance shall be deemed as being covered but limited to 10% of the total sum insured specified in Section A of the Vessel Schedule. It is further agreed that any item sold shall be deleted from the Vessel Schedule.

In the event of a loss falling within the scope of the Policy, receipts, lease contracts and/or invoices must be produced. Adjustments to the sum insured and premium will be completed at renewal.

Admission of Liability

You shall not without *our* written consent

1. make any admissions of liability or fact
2. take any action which may be considered an admission of liability; or
3. repudiate or settle a claim.

Basis of Policy

The proposal, declaration, and the master's questionnaire(s) submitted by *you* or on *your* behalf are the basis of, and are deemed to be incorporated in, this Policy.

Cancellation

1. This Policy may be cancelled at any time by either party subject to 30 days notice in writing. The mailing of notice by registered mail to *your* last known address is sufficient proof of notice of cancellation.

In respect of war risks cancellation of cover will take effect on the 7th day after the notice has been sent out.

Where cancellation is requested by *you*, we will provide a refund of 80% of the unexpired premium. Where cancellation is initiated by *us* a full refund of unexpired premium will be provided.

2. In the event of a total loss or constructive total loss the Policy will be cancelled effective from the date of loss and any outstanding premium will be paid in full by *you*.
3. This Policy will be automatically cancelled in the event that the *vessel* is arrested, impounded or re-possessioned by any government authority or financial institution. Cancellation will be effective from the date of arrest or re-possession. However, cover may continue following discussion with *us* and subject to *our* written agreement.

Change in Circumstances

You will immediately inform *us* in writing if any material circumstances change during the period of cover.

Claim Notification

You shall give us immediate notice of

1. any event arising or likely to result in a claim being recoverable under the Policy
2. the receipt of notice from any person of any intention to hold you responsible for the results of an alleged personal injury or occurrence
3. any circumstances of which you shall become aware which may give rise to a claim or claims under this Policy

irrespective of whether the amount is likely to be within or above the amount of the *deductible* specified in the Vessel Schedule.

Conduct of Claim

1. We may if we so desire take over and conduct in your name the defence or settlement of any claim or prosecute in your name for our benefit any claim or counter claim and shall have full discretion in the conduct of any proceedings and in the settlement of any claim or counter claim.
2. You shall give all such assistance as we may reasonably require.
3. We reserve the right to select legal representatives.

Continuation

If you are away from any port at the time this Policy ends, we will extend your cover until you arrive at the nearest safe port. You must notify us as soon as possible and pay the additional premium required. This continuation privilege does not apply if the policy is cancelled by you or us.

Duty of Care

You shall take reasonable precautions

1. to prevent personal injury and any occurrence
2. to comply with all obligations and regulations set out in any legislation applicable or imposed by any Authority
3. to maintain the property insured in proper repair
4. to remedy and/or eliminate (at your own expense) any defect or any danger that may give rise to personal injury or an occurrence
5. to prevent loss or damage to the property insured.

False Statements

No incorrect statement shall be made in support of a claim.

Fraudulent Claims Clause

Should any representation made in support of a claim be fraudulent we will decline the claim and terminate the Policy.

Joint Assureds

If any of the property specified in the Vessel Schedule is owned jointly then cover under this Policy on such property shall also be provided jointly.

Jurisdiction, Law & Practice and Dispute Resolution

No party to this Policy shall commence any court or arbitration proceedings relating to any dispute arising out of or relating to this Policy (including any dispute as to the validity, breach, or cancellation of this Policy) unless that party has first complied with this clause.

The parties agree to the mediation of any such dispute in accordance with the Arbitrators' and Mediators' Institute of New Zealand Inc. current Mediation Protocol.

The mediation shall be conducted by a mediator agreed by the parties, at a fee agreed by the parties. Failing agreement by the parties, the mediator shall be selected, and the mediator's fee shall be determined, by the President of the Arbitrators' and Mediators' Institute of New Zealand Inc.

In the event that mediation is unsuccessful, any dispute, of whatever nature, arising out of or in relation to any other clause incorporated in or matter relating to this Policy shall be determined by court proceedings issued in New Zealand. New Zealand courts shall have exclusive jurisdiction to hear and determine any such Proceedings and resolve any such dispute.

Any Institute Clause incorporated in this Policy shall be subject to English Law and Practice.

Named Master Condition

It is a condition precedent to any liability under this Policy that, unless expressly waived by *us* in writing, the *vessel* will at all times be operated under the command of the Master/s named in the Proposal or Masters Questionnaire submitted by *you*; or by such other Master/s subsequently advised to *us* in writing and in respect of whom an additional Masters Questionnaire has been submitted and accepted by *us*.

NZ Goods and Services Tax

Where applicable, GST will be added to any claims monies payable.

For the purpose of this clause, GST means tax payable under Section 5(13) of the Goods and Services Tax Act 1985 or under any statutory amendment to or re-enactment of the Section or Act.

Observance of Terms and Conditions

The observance and fulfilment of the terms and conditions of this Policy by *you* in so far as they relate to anything to be done or complied with by *you* and the correctness of any statements contained in any proposal or made elsewhere to *us* by *you*, are conditions precedent to any liability for *us* to provide any indemnity under this Policy.

Other Insurance

If *you* have other insurance that covers *your* loss, the insurance under this Policy is considered to be in excess. This means that *we* will only to pay *you* the amount of *your* loss otherwise covered under this Policy that *you* are unable to recover from other insurance even if that policy has a condition to the same or similar effect.

Permanent Mooring Condition

It is a condition precedent to any liability under this Policy that:

- 1 the permanent moorings meet the minimum specifications recommended by the Harbour Authority or other appropriate Authority that has control of or responsibility for the area in which the moorings are laid for a vessel of the tonnage, size and dimensions of the *vessel*.
- 2 these permanent moorings will be maintained in good working order, and that swing moorings will be lifted for inspection at least every 36 months.

Progress Claim Payments Clause

Where a claim is payable under this Policy, *we* may, at *your* request, make progress claim payments.

You must submit documentation satisfactory to *us* for as much of the loss or damage for which the progress claim payment is being sought, prior to such payment being made.

No payment will be made until the amount of loss is known to exceed the amount of any *deductible* applicable and the *deductible* will be applied to the first progress claim payment made.

Subrogation

Upon accepting liability for a claim under this Policy, *we* are entitled to become subrogated to *your* rights of recovery or indemnity from any other person or corporation. *You* must, at *our* expense do and concur in doing and permit to be done anything reasonably required by *us* for the purpose of enforcing that right.

Any amount so recovered shall be applied firstly for *our* benefit to the extent of the amount paid by *us* in respect of that claim (including related costs and expenses) and the remaining amount shall be paid to *you*. Any interest will be pro-rated between *us* and *you* on the above basis.

Theft Condition

It is a condition precedent to liability that:

- *fishing gear, leased equipment* and *special equipment* are securely attached to or contained within a locked compartment or cabin on the *vessel* or contained in a locked building or motor vehicle.
- outboard motors are attached to the *vessel* by bolts fitted with locking nuts and/or a security chain and anti-theft locking device or stored in a locked building or motor vehicle.
- the *trailer* and *vessel* will be fitted with a suitable anti-theft device when unattended on land. When the *trailer* and *vessel* are attached to a motor vehicle, and left unattended, the motor vehicle must also be either locked or immobilised.
- tenders or *dinghies* are effectively secured by security chain/wire and padlocked to a fixed structure or kept in a locked building.

Transfer of Interest

If *you* sell, transfer, mortgage or pledge *your vessel* or this Policy, cover will cease without further notice to *you* unless *we* accept such change in writing.

General Exclusions

(Applicable to All Sections)

Please read the following exclusions carefully. They may tell *you* that a loss is not covered.

You are not insured for

1. loss, damage or liability caused by *your* wrongful acts or wilful misconduct.
2. any loss, damage or liability caused by or arising out of unseaworthiness or lack of maintenance or repair of the *vessel*, other than where such condition resulted from an insured loss and repairs could not be effected.
3. any loss, damage or liability arising while the *vessel* is being operated by person/s under the influence of alcohol or any drugs or who does not hold a valid Maritime Document/Licence or is not suitably qualified as lawfully required by the appropriate authorities.

However, this exclusion does not apply in respect of Sections A, B, C and the removal of wreck of the *vessel*, or any neglect to raise, remove, or destroy the wreck provided

- (a) the person operating the *vessel* was without the knowledge or consent of any of *you* or any manager or director of *you*; and
 - (b) *you* have not compromised or waived any right of recovery against the person operating the *vessel*; and
 - (c) *you* co-operate fully in any subrogated recovery action; and
 - (d) the policy *deductible* for the relevant Section is doubled.
4. any loss during war or peace caused by or resulting from
 - (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - (b) the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component
 - (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.
The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
 - (e) any chemical biological bio-chemical or electromagnetic weapon.
 5. claims caused by or arising directly or indirectly out of
 - (a) transporting, distributing or storing asbestos
 - (b) any process of decontamination, treatment or control of asbestos
 - (c) the presence of asbestos in any property insured
 - (d) asbestos pollution or contamination.

6. loss, damage or liability if *you* or any person operating the *vessel* fail to exercise due diligence to comply with any Acts, Regulations, Rules, Orders, or Notices to Mariners and any other requirements issued or notified by Maritime New Zealand from time to time or administered by them or their successors, governing or relating to the construction, seaworthiness, surveying, outfitting, manning, use, operation or navigation of the *vessel*.
7. any consequential loss caused by the loss of use of the *vessel*. This excludes overtime costs incurred by repairers/costs incurred to expedite repairs as per Section A - Hull Insurance and/or Section G - Mortgage Repayment Insurance.

Claims Procedure

What to do in case of loss or accident

Please advise Vero Marine immediately. *We* can advise *you* and arrange for an assessor to look after *your* claim.

You must act as though *you* are not insured and

- (a) take all reasonable steps to minimise the loss or damage or any liability, and to safeguard the property insured
- (b) in the case of theft, vandalism or loss, advise the police
- (c) send to *us* any communication received from any other person.

You must not, without *our* prior written consent

- (a) incur any expense in making good any loss or damage (other than to minimise the damage)
- (b) negotiate, pay, settle, admit or decline any claim.

What to do in case of a liability

Please advise Vero Marine immediately

- (a) of any claim made against *you*
- (b) if *you* receive any notice from any person of any intention to hold *you* responsible for the results of an alleged occurrence
- (c) of any circumstance which *you* become aware of which may give rise to a claim.

Contact details

During normal working hours:

Vero Marine Insurance
PO Box 1759
Auckland

Telephone: 09 363 2600

Facsimile: 09 363 2601

Toll Free Telephone: 0508 856 856

Emergency after hours:

Cunningham Lindsey Marine Claim Assessors
Telephone: 0800 800 270